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In the Supreme Court
OF THE
United States

OCTOBER TERM, 1962

No. 1024

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTHER,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

PRELIMINARY STATEMENT

In this brief we will refer to pages in the brief and petition of petitioner as "P.B. ....", to the appendix to the petition and brief of petitioner as "P.A. ....", and to the record printed for the use of the court below as "R. ....".

OPINIONS BELOW

The opinion of the Court of Appeals for the Ninth Circuit is reported at 314 F.2d 71, and is printed at P.A. ii-ix.

The opinion of the District Court for the Northern District of California, Southern Division, is reported at 200 F. Supp. 841 and is printed at R. 15-26.

JURISDICTION

The jurisdictional requisites are adequately set forth in the petition at P.B. 2.

QUESTION PRESENTED

Petitioners purchased four patented fish-packing machines designed to pack fish into one-pound cans only, and changed the size of all parts necessary to convert the machines so that they would pack fish into five-ounce cans only.

The question presented is whether it is infringement for an owner of a patented machine, designed to accomplish one particular function, to change the identity of that machine by changing the size of all parts necessary to enable the machine to accomplish a new function not obtainable by the original machine.

STATEMENT OF THE CASE

Respondent is the owner of United States Letters Patent No. 2,452,666 for Fish Canning Machine. A num-

ber of machines covered by this patent were manufactured and sold under authorization of respondent. These machines had one function only—namely, to pack fish into one-pound size cans. The machines were not adjustable, and could not operate to pack fish into any other size cans.

Four of these machines were acquired by petitioners. The machines were inoperable when purchased by petitioners, and petitioners repaired them to put them back into operating condition.

In addition, petitioners changed six essential elements of each machine to convert the machines so that they would pack fish into five-ounce size cans. The converted machines had one function only, namely, to pack fish into the smaller cans. After conversion, the new machines could no longer perform the function of the original machines in filling the larger one-pound size cans.

The patent in suit is a combination patent covering the machines as a whole. Most of the essential parts which petitioners changed in order to convert the machines to operate on the smaller cans were specific elements of the patented combination. For example, claim 1 of the patent in suit includes seven elements, of which four were changed in order to convert the machines to their new functions. The remaining three claimed elements of the machines were not changed, since their size was not dependent upon the size can which the machines were to handle.

The District Court found specifically as a fact that the identity of the original machines had been changed, and that the conversion of the machines went beyond the mere repair and restoration thereof:

"19. The conversion of the four machines changed the capacity and effectiveness of the machines by converting the machines to fill five-ounce size cans only, instead of one-pound size cans only.

"20. The conversion of the machines resulted in the creation of not only new but different machines from those originally made by permission of the patentee, which new and different machines embody the novel combination claimed by the patent in suit.

"21. The conversion of the four machines by defendants to fill different size cans is clearly different from the repair or replacement by the possessor of worn out parts to preserve the machines in the condition in which they were originally manufactured and sold by permission of the patentee."

The majority of the Court of Appeals also concluded that the facts of the case showed that petitioners had made a new article:

"Weighed on the above scales, the work performed by the appellants on the machines was not simply 'maintenance of the "use of the whole" of the patented combination through replacement (and repair) of a spent unpatented element,' but was such 'a true reconstruction of the entity as to "in fact make a new article".' *Aro v. Convertible Top*, supra, 346. The record is crystal clear that appellants made no attempt simply to replace worn-out parts in order to make the machines operate as originally manufactured. They deliberately modified and changed the machines in six different particulars in order to make each machine fit Wilbur-Ellis' own specific purposes, viz., the packing of five ounce rather than one pound cans of fish. Granting that appellants had the right to repair and patch each part of the fish canning

machines which they bought and paid for to make the machines last as long as possible, (Cf. *Aro*, etc. 357), such right did not entitle them to use that patented combination in making over the machines into fundamentally different machines from those which Wilbur-Ellis purchased, i.e., to 'make a new article.'"

ARGUMENT

The petition for writ of certiorari should be denied on the grounds that the petition seeks merely a review of the factual determinations of the courts below, which were based upon sufficient evidence, and that this case does not involve a matter of widespread public importance.

THE MATTERS SOUGHT TO BE REVIEWED HERE ARE PURELY FACTUAL.

The law on "repair" and "reconstruction" has been well settled by this Court in *Aro Manufacturing Co. Inc., et al. v. Convertible Top Replacement Co., Inc.*, 365 U. S. 336, 81 S. Ct. 599 (1961). That case held that a patented combination can be restored to its original use by the replacement of any spent, unpatented element of the combination. Such a repair or restoration is permissible and does not constitute infringement. However, if a patented combination is changed by rebuilding it to make the combination into a "new article", then such reconstruction will result in liability for infringement.

Both the majority and minority decisions of the Court of Appeals below recognize these rules and the factual

and legal differences between permissible repair and impermissible reconstruction.

The crux in the instant case is whether the particular acts of petitioners amount to "repair" or "reconstruction"; that is, whether a "new article" has been made. This is a purely factual matter, which has been determined adversely to the petitioners. The District Court found as a fact that: "the conversion of the machines resulted in the creation of not only new but different machines from those orginally made . . ." (R. 31). The Court of Appeals sustained this, saying: "the work performed by [petitioners] on the machines was not simply 'maintenance of the "use of the whole" of the patented combination through replacement (and repair) of a spent unpatented element,' but was such 'a reconstruction of the entity as to "in fact make a new article".' *Aro v. Convertible Top,* supra, 346." (P.A. vi).

In order for petitioners to prevail, this Court would be required to review all of the evidence before the District Court and this Court would be further required to find the facts of this case to be exactly contrary to the facts as found and sustained below. However, it is submitted that this review of factual matters alone is not the proper function of this court unless the findings below are "clearly erroneous". *United States v. United States Gypsum Co.*, 333 U.S. 364, 395, 68 S.Ct. 525, 542. Significantly, petitioners do not allege that the findings below are "clearly erroneous".

THERE IS NO PUBLIC INTEREST IN THE OUTCOME OF THIS PARTICULAR CASE TO JUSTIFY A REVIEW THEREOF BY THIS COURT.

As indicated above, this Court would have to reverse the factual determinations made below and find that the rebuilding activities of petitioners amount to a "repair" rather than a "reconstruction" in order to relieve petitioners from liability for infringement.

However, no public interest would be served by having this Court review this evidence, since a decision here would be limited to the particular facts of the case. All cases involving repair or reconstruction have different and peculiar factual situations which must be considered to determine whether an old combination has been restored to its original function or changed so that a "new article" has been produced. A determination by this Court that the four particular fish-packing machines here involved have, or have not, been changed to make a "new article" would be of no future value unless the exact same set of facts were against presented to a District Court at a later date. However, if some other machine and some other acts of conversion were involved, the decision of this Court here would be of negligible value.

THE QUESTION OF CONVERTING MACHINES INTO FUNDAMENTALLY DIFFERENT MACHINES BY THE SUBSTITUTION OF NEW AND DIFFERENT PARTS FOR THE VITAL FUNCTIONING ELEMENTS OF THE ORIGINAL MACHINES IS OF LIMITED IMPORTANCE IN THE COMMERCIAL FIELD.

The question of the permissibility of *replacing* unpatented parts in a patented combination has been of widespread importance in the commercial field and is undoubtedly why this Court took *Aro v. Convertible Top*, supra, for consideration. On the other hand, the question of the permissibility of *changing* the size or capacity of a patented machine has arisen in the courts only a very few times, and would appear to be of little significance.

The recorded cases show that this latter question has only reached the Circuit Courts four times, in 1928, 1930, 1932 and now, 1963. *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533 (C.A. 1, 1928); *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, 41 F.2d 619 (C.A. 8, 1930); *Cinema Patents Co., Inc. v. Columbia Pictures Corporation*, 62 F.2d 310 (C.A. 9, 1932). In each instance, the Courts of Appeals for the First, Eighth and Ninth Circuits, after having held that the change of a machine to operate on a product of a different size or a change in a machine to substantially alter its capacity results in a change in identity of the machine, have decided that such changes constitute infringement.

There is no necessity for this Court to undertake to change the uniform results of all of the Courts of Appeals which have previously considered this matter, particularly since these results have been affirmed, at least inferentially, by this Court in *Aro v. Convertible Top.*, at 365 U.S. 342, in discussing *Wilson v. Howard*, 9 How. 109:

". . . replacement of that worn-out essential part is permissible restoration of the machine *to the original use for which it was bought. . . .*"

(Emphasis added.)

CONCLUSION

For the reasons expressed above, the Petition for Writ of Certiorari should be denied.

Dated, San Francisco, California,
April 19, 1963.

Respectfully submitted,

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